

EXHIBIT SS

REDACTED PUBLIC
VERSION

Deposition of Sharon Coker

In Re: HIGH-TECH EMPLOYEE ANTITRUST LITIGATION

13 VIDEOTAPED DEPOSITION OF SHARON COKER
14 HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

15 November 1, 2012

17 | Reported by: Anne Torreano, CSR No. 10520

03:42:19 1 believe it may have happened as a result of Alan
03:42:23 2 leaving the business. And so at that point in time
03:42:25 3 when he left the business there may have -- shortly
03:42:30 4 after then been a recognition of changing my title to
03:42:33 5 senior director.

03:42:34 6 Q. So there was a period of time where you were
03:42:36 7 the director of human resources and then a subsequent
03:42:39 8 period when you were the senior director?

03:42:41 9 A. I believe so.

03:42:41 10 Q. And do you recall when that changed happened?

03:42:44 11 A. I do not recall.

03:42:44 12 Q. And when that change happened, were you still
03:42:48 13 reporting to Mr. Keith?

03:42:48 14 A. No, I believe the change would have happened
03:42:52 15 after Alan left, and then at that point I was reporting
03:42:57 16 into Steve Condiotti.

03:42:59 17 Q. Okay. And then when you -- your title changed
03:43:02 18 and you became the senior director of human resources,
03:43:07 19 were you reporting to Mr. Condiotti?

03:43:09 20 A. Correct.

03:43:09 21 Q. And were you the senior director of human
03:43:12 22 resources from that point in time until the end of your
03:43:14 23 tenure at Lucasfilm?

03:43:16 24 A. Correct.

03:43:17 25 Q. And that was in approximately April of 2007?

03:43:20 1 A. Correct.

03:43:22 2 Q. And when you left Lucasfilm in April of 2007,

03:43:26 3 were you still reporting directly to Mr. Condiotti?

03:43:28 4 A. Yes.

03:43:29 5 Q. Okay. Now, when you started as the director

03:43:38 6 of human resources, what were the elements of your

03:43:44 7 compensation?

03:43:45 8 A. There were two primary elements of my

03:43:49 9 compensation: One was my salary and the second was

03:43:55 10 bonus eligibility. And bonus eligibility in the comp

03:44:00 11 world would be short-term bonus like an annual bonus

03:44:03 12 versus long-term incentive bonus.

03:44:06 13 Q. Well, were you eligible for both?

03:44:08 14 A. No, I was only eligible for short-term.

03:44:11 15 Q. Now, when you started as director of human

03:44:19 16 resources, were you assigned a -- well, strike that.

03:44:25 17 When you were the director of human

03:44:27 18 resources -- bless you -- was there a salary level

03:44:32 19 associated with that title?

03:44:33 20 A. Yes.

03:44:36 21 Q. And what was the salary level?

03:44:42 22 A. I don't remember specifically, but it would

03:44:47 23 have been at director level.

03:44:51 24 Q. Did Lucasfilm have a series or a structure of

03:45:04 25 salary tiers?

03:45:07 1 A. We had -- yes, we had identified levels of
03:45:13 2 positions within our salary structure all the way
03:45:19 3 through nonexempt up to executive level.

03:45:22 4 Q. And were those maintained in some kind of
03:45:26 5 written schedule?

03:45:27 6 A. They were maintained, yes, in a database.

03:45:30 7 When I first joined Lucasfilm, one of the
03:45:35 8 things that I was hired for was that at the time that I
03:45:38 9 joined all of the primary companies were just located
03:45:44 10 in different locations geographically in Marin, and
03:45:47 11 they had also kind of, if you will, grown their own
03:45:50 12 cultures, grown their own personalities, had their own
03:45:53 13 executives, had their own staff. So from an HR point
03:45:57 14 of view, as an example, each one of those large groups
03:46:00 15 had their own HR staff.

03:46:01 16 They technically reported into an HR director,
03:46:04 17 but there was not a lot of consistency in practices.

03:46:07 18 And so in terms of compensation, there were different
03:46:11 19 practices in different business units at that point in
03:46:13 20 time, even though in general they matched up to a broad
03:46:18 21 structure of levels.

03:46:20 22 Q. Okay. So let me ask you a couple questions
03:46:22 23 about that.

03:46:22 24 First of all, while you were at Lucasfilm did
03:46:27 25 that -- do those -- did that structure get normalized

03:46:31 1 or cleaned up or unified?

03:46:33 2 A. It did. It was a work in progress when I
03:46:35 3 left, but yes, we achieved quite a bit in terms of
03:46:39 4 organizing them.

03:46:40 5 Q. And it was part of your job to work on that?

03:46:42 6 A. Yes.

03:46:43 7 Q. And can you recall approximately when that
03:46:48 8 began?

03:46:48 9 A. It had begun when I was hired. Lucas had been
03:46:53 10 working with an outside consultant for a period of time
03:46:55 11 to take a look at it. I think the focus and
03:47:00 12 acceleration, if you will, of that was due to the fact
03:47:01 13 that the companies were all going to be moving together
03:47:02 14 into San Francisco.

03:47:03 15 Q. Right.

03:47:03 16 A. We were anticipating more than it actually
03:47:06 17 played out to happen that there'd be more movement
03:47:09 18 between companies as a result of the co-location, and
03:47:12 19 so we felt that there was a need to focus on those.

03:47:16 20 Q. Was there a particular person who you would
03:47:18 21 identify as responsible for that development of a more
03:47:24 22 unified salary structure at Lucasfilm?

03:47:26 23 A. I would say that the work had started with an
03:47:29 24 outside consultant, and she was primarily responsible
03:47:32 25 for doing a lot of the analysis. She worked extremely

03:47:36 1 closely with Steve Condiotti, again, where Roshni
03:47:41 2 brought in -- Roshni Southard brought in the expertise
03:47:44 3 around compensation structures and models, Steve was
03:47:47 4 the subject the matter expert in terms of knowing
03:47:50 5 Lucasfilm and knowing kind of idiosyncrasies of the
03:47:54 6 organizations.

03:47:54 7 Q. So what was the name of the consultant?

03:47:55 8 A. Her name was Roshni Southard.

03:47:58 9 Q. And does she work for a company?

03:47:59 10 A. She worked for a company called Palmer
03:48:02 11 Advantage.

03:48:02 12 Q. And -- okay.

03:48:13 13 MR. PURCELL: Counsel, it's been about an
03:48:14 14 hour. Is this an okay time to take a break?

03:48:16 15 MR. SAVERI: I've got questions, but I'm sure
03:48:19 16 this is fine. I don't mean to be facetious.

03:48:22 17 THE WITNESS: No.

03:48:23 18 MR. SAVERI: Okay.

03:48:24 19 THE VIDEOGRAPHER: This is the end of video
03:48:25 20 No. 4. The time is 3:49 p.m. We're going off the
03:48:29 21 record.

03:48:30 22 (RECESS TAKEN.)

04:03:47 23 THE VIDEOGRAPHER: This is the beginning of
04:03:54 24 video No. 5 in the deposition of Sharon Coker. The
04:03:58 25 time is 4:04 p.m. We're back on the record.

04:04:02 1 BY MR. SAVERI:

04:04:02 2 Q. Can I ask you a follow-up question about

04:04:04 3 Exhibit 354, which was the exhibit that referred to

04:04:08 4 [REDACTED]?

04:04:12 5 A. Yes.

04:04:13 6 Q. Do you have that in front of you?

04:04:17 7 A. Yes.

04:04:17 8 Q. Now, you say at the top of the document that

04:04:20 9 you would check.

04:04:21 10 Do you see that?

04:04:22 11 A. That I would look at [REDACTED] comp?

04:04:24 12 Q. Yeah.

04:04:26 13 Do you -- did you have authority to make the

04:04:30 14 decision to increase his compensation?

04:04:34 15 A. Within guidelines, you know, if it was within

04:04:40 16 a broad range that had been established for positions,

04:04:44 17 yes, I did. However, I would say that almost always

04:04:48 18 when you made -- not always, but often if you would

04:04:51 19 make an individual decision, it could impact other

04:04:56 20 employees in similar positions. So you had to look at

04:04:57 21 that. And so there would be times when I would have

04:05:01 22 broader conversations with people even though I could

04:05:03 23 have approved it.

04:05:04 24 Q. Okay. So let's break that up into pieces.

04:05:06 25 The first part was -- I think you said that

04:05:09 1 you did have authority within a salary range?

04:05:11 2 A. Yes.

04:05:12 3 Q. Is that correct?

04:05:12 4 A. Mm-hmm.

04:05:13 5 Q. What did you mean by that?

04:05:14 6 A. So we had broad ranges established for

04:05:19 7 positions, and, you know, a range -- I'll just give you

04:05:25 8 a hypothetical range. A range could be a salary

04:05:29 9 between 60,000 and 85,000 dollars for a particular

04:05:35 10 position, and you would determine where an individual

04:05:38 11 should be paid within that range based on their

04:05:41 12 experience, skill, comp history, performance level. So

04:05:45 13 there are a number of factors as to where an individual

04:05:48 14 would be comped within that broader range.

04:05:50 15 Q. And those were elements of the -- part of the

04:05:54 16 salary structure that we were talking about?

04:05:55 17 A. Right.

04:05:56 18 Q. So for each job title at Lucasfilm was there a

04:06:07 19 salary range?

04:06:09 20 A. Each job title was matched to a job family.

04:06:13 21 Q. Okay.

04:06:14 22 A. So there were -- there were ranges for job

04:06:19 23 families rather than individual titles, I would say.

04:06:22 24 The job title is matched to a family, and then there's

04:06:24 25 a broad range for a family of jobs.

04:06:27 1 Q. So is it fair to say then that for each job
04:06:33 2 family there were a number -- or there could be more
04:06:35 3 than one job title that would be part of a job family?
04:06:39 4 A. Correct.
04:06:40 5 Q. And the salary range was established at the
04:06:43 6 job family level, not at the job title level; is that
04:06:46 7 correct?
04:06:46 8 A. Right. And not to confuse you, but in the
04:06:50 9 world of comp it's -- sometimes "job family" is the
04:06:53 10 expression that's used and sometimes it's "job level."
04:06:55 11 Q. Right. So how many job titles were there at
04:07:04 12 Lucas?
04:07:10 13 A. I think that there could have been eight
04:07:13 14 hundred to a thousand. Something like that.
04:07:16 15 Q. And as part of your efforts to kind of unify
04:07:22 16 or normalize that structure, did you reduce the number
04:07:25 17 of job titles?
04:07:27 18 A. We did not reduce the number of job titles.
04:07:29 19 What we tried to do was -- so to explain the effort
04:07:34 20 that I was involved in, each company had already in
04:07:38 21 place their own structure that was somewhat similar to
04:07:41 22 this. So it's not uncommon for organizations,
04:07:44 23 especially as they grow in size, to figure out some
04:07:47 24 sort of way to compensate people for similar-type work.
04:07:51 25 And so they all had similar broad bands and

04:07:55 1 they had already done matches of their numerous job
04:07:59 2 titles into these broader bands. But my effort was to
04:08:03 3 say, okay -- I'll give you two examples. There were
04:08:07 4 many situations where job titles and even job roles,
04:08:10 5 the work that people did, was unique to that
04:08:14 6 organization. So you would have a game developer in
04:08:17 7 LucasArts, but you wouldn't have a game developer in
04:08:21 8 Lucas Animation.

04:08:22 9 So there were job titles and job roles that
04:08:24 10 were particular to that organization.

04:08:26 11 There were also some broad categories of jobs
04:08:28 12 that existed across all organizations. Our effort in
04:08:32 13 terms of cleaning that up was to say you may call them
04:08:36 14 X here and Y here, but we want to identify if they're
04:08:39 15 doing the same role and therefore make sure they're
04:08:43 16 matched in the same range.

04:08:44 17 Q. So among other things, was the -- was the
04:08:47 18 effort to match employees in the same range part of an
04:08:51 19 effort to try to treat like people alike?

04:08:54 20 A. Yes. And again, I think I'd mentioned that
04:08:57 21 one of the things we were expecting that never happened
04:09:01 22 greatly is that people want to move around, where
04:09:03 23 before they didn't very often.

04:09:05 24 Q. So -- okay. So I think you told me that you
04:09:08 25 thought there were -- I think you used the number

04:09:12 1 possibly eight hundred job titles at Lucas?

04:09:14 2 A. A large number, yeah.

04:09:16 3 Q. And how many job families did that kind of

04:09:20 4 roll up to?

04:09:20 5 A. So again, for a little bit of clarity, I will

04:09:29 6 use as an example, production side.

04:09:32 7 So both at -- nonexempt and exempt level

04:09:36 8 positions reside within a production family. So

04:09:39 9 production family can start with a production

04:09:42 10 assistant, which is the entry-level position, and work

04:09:44 11 all the way up to an executive producer. And that

04:09:48 12 would be what I would call a job family. So it's the

04:09:51 13 production job family.

04:09:52 14 Within the production job family there are

04:09:54 15 levels, and there were probably -- if you kind of throw

04:09:58 16 out nonexempt and you throw out executive -- in between

04:10:02 17 maybe -- maybe four to five levels.

04:10:08 18 Q. Four to five?

04:10:08 19 A. Four to five.

04:10:10 20 Q. And -- okay. If you add the exempt in, how --

04:10:16 21 A. That includes the exempt. That is the exempt.

04:10:18 22 Q. I mean, if you add in the nonexempt, how would

04:10:22 23 that go?

04:10:22 24 A. So typically for hourly employees who are

04:10:24 25 nonexempt we did not have that same level of structure,

04:10:26 1 because they're hourly.

04:10:27 2 Q. Okay. How about if you added the executives

04:10:30 3 in?

04:10:30 4 A. And by "executives," I'm taking out maybe ten

04:10:33 5 people at the company or twelve people at the company.

04:10:35 6 Q. Okay.

04:10:36 7 A. So it was a very small number.

04:10:38 8 Q. So that top of the pyramid represented the

04:10:40 9 very small band in terms of actual head count?

04:10:44 10 A. Correct. And by the nature of the

04:10:50 11 executive-level role, I've never worked anywhere where

04:10:54 12 it's been -- it's almost treated as an animal apart.

04:11:00 13 It's not part of the ...

04:11:01 14 Q. And again, so I understand, the salary ranges

04:11:10 15 were established at Lucasfilm at the salary family

04:11:16 16 level; is that correct?

04:11:17 17 A. It was both. It was almost like an

04:11:19 18 intersection, if you picture the grid. So within a

04:11:23 19 family of jobs, like if you were to look at like

04:11:26 20 technical positions or if you were to look at the

04:11:28 21 production family, I'll stay with that for a moment,

04:11:30 22 there's a hierarchy, if you will, of complexity of

04:11:34 23 roles within a family, and that might be the horizontal

04:11:41 24 part of the grid.

04:11:42 25 The vertical part of the grid would be, you

04:11:44 1 know, how do you level those positions with -- across
04:11:48 2 the board, to compare them to people in different job
04:11:50 3 families.

04:11:52 4 So if somebody was a fairly senior-level
04:11:55 5 producer, you wanted the ability to also look at
04:11:58 6 senior-level technical people or senior-level
04:12:02 7 management people and say, how do our -- for example,
04:12:05 8 at a director level, directors have very distinct and
04:12:09 9 different jobs depending on what family they're in.

04:12:11 10 Q. Right.

04:12:12 11 A. But they are at a certain level within the
04:12:15 12 company. We want to be able to look at their
04:12:17 13 compensation across that level.

04:12:18 14 Q. And again, there was some effort to treat like
04:12:22 15 people alike in terms of compensation?

04:12:23 16 A. Well, I think it was more a situation of
04:12:25 17 analytics in terms of that. It was like, you know,
04:12:27 18 where does it make sense to do that and where do you
04:12:31 19 say that a director's job is so unique or so different
04:12:35 20 or has such an impact on the business that it's
04:12:37 21 different than another director's job.

04:12:39 22 Q. So if a person was placed somewhere in that
04:12:44 23 system within a salary range, how was it determined --
04:12:51 24 how was the base compensation determined on a
04:12:55 25 year-to-year basis?

04:12:56 1 Put another way, how was someone's salary
04:12:59 2 within that range established?
04:13:00 3 A. So as an example, if you take the category of
04:13:07 4 TDs, which was a huge population, if you take the
04:13:10 5 categories of TDs --
04:13:11 6 Q. When you say "huge," just in terms of head
04:13:13 7 count?
04:13:13 8 A. In terms of head count, the number of people
04:13:17 9 in those titles. And you had a wide variety of
04:13:20 10 technical directors. Some of them worked in
04:13:21 11 lighting, some them worked in modeling, some of them
04:13:26 12 worked in hair and cloth. I mean, it was very broad.
04:13:28 13 Having said that --
04:13:30 14 Q. Did you say "hair and cloth"?
04:13:32 15 A. Hair and cloth TDs.
04:13:33 16 Q. Okay. I got it.
04:13:34 17 A. Yeah.
04:13:35 18 Q. Okay.
04:13:36 19 A. But even within that category of like a
04:13:39 20 lighting TD, you had levels of experience. So you
04:13:43 21 would have a junior entry-level lighting TD, you would
04:13:47 22 have a mid-level TD, and you'd have a senior
04:13:50 23 advanced-level TD.
04:13:52 24 So to your point around how would we determine
04:13:54 25 the compensation, we would know when we posted an

04:19:06 1 is Lucasfilm competitive with -- against our
04:19:10 2 philosophy, where we want to be in the marketplace
04:19:13 3 within that whole job family.

04:19:15 4 It's not -- then it becomes not just a Steve
04:19:17 5 issue, but it's in general. If he was a technical TD,
04:19:20 6 in general are we paying him the right -- you know, are
04:19:23 7 we going to start losing good talent or not be able to
04:19:26 8 attract talent because of our -- what we've decided to
04:19:30 9 pay for that range of positions.

04:19:31 10 Q. And if you thought there was something that
04:19:33 11 needed to be adjusted with respect to, for example,
04:19:35 12 moving of TDs as a class --

04:19:37 13 A. Right.

04:19:37 14 Q. -- am I correct that that would have broader
04:19:41 15 implications for that salary structure?

04:19:43 16 A. Correct.

04:19:43 17 Q. For example, I mean, among other things, if
04:19:46 18 I'm understanding the horizontal and vertical direction
04:19:49 19 correctly, we're talking about a situation now where
04:19:54 20 a -- essentially a horizontal -- a whole horizontal
04:19:59 21 tier would be raised in terms of their base
04:20:02 22 compensation?

04:20:02 23 A. Or it could potentially -- or a group of
04:20:04 24 employees within that range.

04:20:05 25 Q. And that had -- and is it correct that that

04:20:09 1 had a significant enough broad effect that other, more
04:20:15 2 senior people needed to be involved in that discussion?

04:20:19 3 MR. PURCELL: Object to the form.

04:20:19 4 THE WITNESS: Yes, in that those decisions
04:20:28 5 that impacted more than just one individual could have
04:20:32 6 impact a ripple effect on other positions. So it was
04:20:37 7 not solely my decision to change a salary range. It
04:20:40 8 was something that I discussed with other people.

04:20:42 9 BY MR. SAVERI:

04:20:42 10 Q. Like Mr. Condiotti?

04:20:43 11 A. Correct.

04:20:44 12 Q. And Ms. Chau?

04:20:44 13 A. At times Ms. Chau.

04:20:46 14 Q. Have you gone -- have you gone to outside
04:20:53 15 training on compensation?

04:20:57 16 A. No.

04:21:00 17 Q. Did you learn all this on the job?

04:21:01 18 A. Well, I learned on the job over a period of
04:21:04 19 many years, and also, again, from exposure to working
04:21:11 20 with consultants and exposure to working with, you
04:21:14 21 know, in a variety of different types of businesses in
04:21:17 22 different types of compensation situations.

04:21:20 23 Q. So have you ever -- in the context of those
04:21:29 24 discussions or that training or that experience, have
04:21:34 25 you become acquainted with the term -- with the concept

04:21:37 1 of internal equity?

04:21:39 2 A. Yes.

04:21:39 3 Q. Can you tell me what that is, please, to the
04:21:42 4 best of your understanding?

04:21:42 5 A. Internal equity is that people within the
04:21:47 6 company, internally within the company -- and it has
04:21:50 7 nothing to do with what the market pays, if you want to
04:21:54 8 be literal with it. But internal equity then means
04:21:57 9 that at my company I'm paid comparably -- not exactly,
04:22:01 10 but I'm paid comparably to other people with the same
04:22:03 11 set of experience and the same level of performance for
04:22:06 12 doing the same work.

04:22:07 13 Q. Is that a concept or an idea or a goal that
04:22:13 14 Lucas tried to meet with its compensation structure?

04:22:18 15 A. I think that it was a factor that you always
04:22:22 16 look at in terms of compensation changes, but was it
04:22:29 17 a -- given great weight? Was it a primary factor? I
04:22:38 18 would say not necessarily.

04:22:39 19 Q. Okay. Do you understand that at least what
04:22:42 20 you're describing about internal equity was peculiar to
04:22:46 21 Lucas?

04:22:46 22 A. No.

04:22:47 23 Q. Did you understand the idea of -- concept of
04:22:50 24 Lucas -- excuse me, the idea of internal equity to be
04:22:52 25 something that all sorts of companies thought about

04:22:55 1 when constructing or modifying their compensation
04:22:58 2 structures?

04:22:59 3 A. Absolutely. And if the company didn't, the
04:23:01 4 employees would remind them. So, you know, again, I
04:23:04 5 think it's -- it is -- internal equity is a
04:23:13 6 consideration in compensation decisions.

04:23:16 7 Q. Is it fair to say that it's -- while it may
04:23:22 8 not be -- while there may be others that are more
04:23:25 9 important, it is something that Lucasfilm considered?

04:23:28 10 MR. PURCELL: Object to the form.

04:23:29 11 THE WITNESS: I think it was something that,
04:23:35 12 you know, in a broad context we considered. I do not
04:23:39 13 recall that we would have conversations where we would
04:23:42 14 say, now, you know, are we breaking with internal
04:23:45 15 equity by making these decisions. So it was not
04:23:47 16 something that was a -- you know, a number one factor
04:23:52 17 that we'd measure our changes against.

04:23:54 18 BY MR. SAVERI:

04:23:54 19 Q. Now, we've been talking most -- in large part
04:24:00 20 with respect to the compensation structure about what I
04:24:02 21 think of as base compensation or salary; correct?

04:24:05 22 A. Yes.

04:24:05 23 Q. And I think you also identified, at least with
04:24:08 24 respect to yourself, that there were other elements of
04:24:11 25 compensation. I think you said both -- you

04:24:13 1 described -- you talked about bonus eligibility, and
04:24:15 2 then you made a distinction between short-term and
04:24:18 3 long-term.

04:24:18 4 Do you recall that?

04:24:19 5 A. Yes.

04:24:19 6 Q. So was there also another element of the
04:24:23 7 compensation structure at Lucas other than base salary
04:24:26 8 which included bonuses?

04:24:29 9 A. Yes.

04:24:29 10 Q. And could you describe for me generally how
04:24:31 11 that worked?

04:24:32 12 A. Each business unit annually had a set of goals
04:24:37 13 to achieve, and if the business unit met those goals,
04:24:44 14 then all of the employees in that business unit were
04:24:46 15 eligible for -- to participate in a bonus distribution.

04:24:50 16 So business unit performance was the kind of
04:24:56 17 eligibility criteria before you could play, and then if
04:24:58 18 the business unit met those goals, depending on the
04:25:01 19 level of your position and your performance, you would
04:25:07 20 get a bonus, which would be again an annual bonus.

04:25:10 21 Q. Okay. So let me go back through that.

04:25:14 22 A. Okay.

04:25:15 23 Q. First you talked about the business units, and
04:25:17 24 when you say that, are you talking about things like
04:25:22 25 Lucas Art, Lucas Animation, ILM?

04:51:19 1 exercise was to determine where there was the ability
04:51:21 2 to mesh?

04:51:21 3 A. Correct.

04:51:21 4 Q. And also to identify places where it didn't
04:51:25 5 mesh so well?

04:51:26 6 A. Yes.

04:51:27 7 Q. And you wanted to describe a structure that
04:51:30 8 that was organized and rational with respect to kind of
04:51:36 9 both groups?

04:51:36 10 A. Correct. It was again recognizing where there
04:51:39 11 were commonalities and having one structure that could
04:51:45 12 work in multiple locations and then having where they
04:51:47 13 were unique, and there was going to be no attempt to
04:51:50 14 try and match those.

04:51:51 15 Q. Now, the next item is "Gathering Input on Comp
04:52:03 16 Issues."

04:52:04 17 Do you see that?

04:52:04 18 A. Yes.

04:52:04 19 Q. Did you gather input then from people within
04:52:07 20 Lucas? Is that what that means?

04:52:09 21 A. I gathered information from recruiters, and I
04:52:11 22 also gathered information from the business unit
04:52:15 23 managers on what their recruiting and hiring challenges
04:52:17 24 were. We would also talk about the other -- well, we
04:52:22 25 were also trying to arrive at what issues we had with

04:52:26 1 either internal equity or where we had chosen to pay in
04:52:29 2 the marketplace.

04:52:30 3 Q. And so could you describe for me what were
04:52:34 4 the -- what you meant by "internal equity" here?

04:52:36 5 A. So internal equity would be -- it could mean
04:52:40 6 two things. One is it could mean that there were a
04:52:46 7 group of employees in a job family doing similar work
04:52:53 8 and at one company, perhaps even they were paying X or
04:52:58 9 a range of X to Y for those positions. Across the
04:53:03 10 street, more or less in one of the other divisions,
04:53:05 11 they might be paying from X to Z for those positions.

04:53:08 12 So it was within the Lucas companies are there
04:53:12 13 any -- can we identify any areas where we have, you
04:53:18 14 know, what I would call a "pay discrepancy," where
04:53:20 15 we're not paying within reason within ranges.

04:53:24 16 Q. And when you say a "pay discrepancy" in that
04:53:28 17 context you mean a pay discrepancies within Lucas?

04:53:31 18 A. Within Lucas. Again, internal equity would
04:53:35 19 connote that to me.

04:53:35 20 Q. Okay. Then you say -- or this slide says,
04:53:39 21 "Jobs paid at 65th percentile versus 50th percentile."

04:53:43 22 Do you see that?

04:53:43 23 A. Yes.

04:53:44 24 Q. And that's the issue you talked about a little
04:53:46 25 bit earlier about potential problems or issues relating

04:53:52 1 to whether Lucas was going to pay certain job titles or
04:53:57 2 jobs at a [REDACTED] rate as opposed to a [REDACTED]
04:54:02 3 [REDACTED] rate; correct?
04:54:06 4 A. Correct.
04:54:06 5 Q. Now, if you flip to the next slide, there are
04:54:10 6 references to a number -- well, the slide is entitled
04:54:13 7 "External Market Analysis."
04:54:15 8 Do you see that?
04:54:15 9 A. Yes.
04:54:15 10 Q. So let me first -- let me ask you a couple
04:54:18 11 questions about these points. The first item is
04:54:20 12 "Market survey resources."
04:54:22 13 Do you see that?
04:54:23 14 A. Yes.
04:54:23 15 Q. Now, it identifies three companies, Radford
04:54:27 16 Associates, Dunlap and Croner.
04:54:29 17 Do you see that?
04:54:31 18 A. Yes.
04:54:32 19 Q. Were those companies that conducted market
04:54:36 20 surveys regarding compensation?
04:54:38 21 A. Yes.
04:54:39 22 Q. And did Lucasfilm participate in those
04:54:45 23 surveys?
04:54:46 24 A. Yes.
04:54:46 25 Q. And did they obtain information from those

04:54:48 1 survey companies regarding compensation in the
04:54:53 2 marketplace?

04:54:53 3 A. Yes.

04:54:53 4 Q. Did you yourself participate in those survey?

04:54:56 5 A. I personally participated in the Croner. I

04:54:58 6 did not personally participate in either the Dunlap or

04:55:02 7 Radford.

04:55:03 8 Q. Did you provide information to Croner then?

04:55:05 9 A. Are you referencing my personal involvement or

04:55:10 10 the company?

04:55:10 11 Q. I was -- I'm sorry. Did Lucas provide

04:55:13 12 information to Croner?

04:55:14 13 A. Lucas provided information to all three of

04:55:17 14 those survey companies.

04:55:18 15 Q. Okay. And did Lucas receive information back

04:55:21 16 from all three of those companies?

04:55:22 17 A. Yes.

04:55:23 18 Q. Now, let me just jump down. The third item is

04:55:31 19 "Survey data used -- being used for selected segments."

04:55:35 20 Do you see that?

04:55:36 21 A. Yes.

04:55:36 22 Q. Now, were these -- were these segments

04:55:59 23 identified because these provided potential --

04:56:02 24 information on a potential competition with Lucasfilm

04:56:07 25 for particular employees?

04:56:11 1 MR. PURCELL: Object to the form.

04:56:12 2 BY MR. SAVERI:

04:56:12 3 Q. Let me ask you a better question.

04:56:14 4 Why were these selected -- why these segments

04:56:18 5 selected?

04:56:18 6 A. These segments were selected because I would

04:56:24 7 say there is no one place to get all of your

04:56:27 8 information. So again, it was a way of slicing and

04:56:30 9 dicing so that you could -- you could get as broad a

04:56:38 10 research base of data and information.

04:56:40 11 So, for example, the Radford, Dunlap and

04:56:43 12 Croner were specific to certain segments, business

04:56:46 13 segments. The high -- the other survey that we're

04:56:50 14 looking at would be looking at, for example, if we were

04:56:52 15 to look at high-tech industry, we would be able to try

04:56:55 16 and find data that applied to Silicon Valley, which

04:57:01 17 might be helpful in helping us determining what we were

04:57:04 18 going to have to pay software engineers. It wouldn't

04:57:06 19 be helpful to us in determining what we need to pay our

04:57:09 20 animation staff.

04:57:10 21 Q. Well, did these segments -- or did you

04:57:13 22 understand these segments to be segments that provided

04:57:23 23 information regarding market levels of compensation for

04:57:27 24 Lucasfilm employees?

04:57:31 25 That's not a very good question. Let me

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11 foregoing proceeding and caption named or in any way
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19 [X] Reading and Signing was requested.
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25